

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2277 - SB 2750

May 8, 2020

SUMMARY OF BILL: Prohibits a county from housing certain felony offenders unless that county creates a county criminal justice coordinating committee, is certified by the Tennessee Corrections Institute to provide the same level of services as a Department of Correction (DOC) facility, and uses the *Static Risk Offender Needs Guide- Revised*.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$959,040,000/FY20-21
Net Impact – \$62,449,200 Incarceration*

Decrease Local Revenue – \$78,866,900/FY21-22 and Subsequent Years

Decrease Local Expenditures – \$78,866,900/FY21-22 and Subsequent Years

Assumptions:

- Based on information provided by the DOC, the proposed legislation will result in approximately 4,477 felons in local jails to be housed in a DOC facility.
- The proposed legislation will require DOC to construct three new medium-security facilities at a cost of \$319,680,000 per facility.
- The proposed legislation will result in a one-time increase in state expenditures in FY20-21 estimated to be \$959,040,000 ($\$319,680,000 \times 3$).
- According to the DOC, the average operating cost per offender per day for calendar year 2020 in all state institutions is \$86.42.
- The proposed legislation will result in a recurring increase in state expenditures in FY21-22 and subsequent fiscal years estimated to be \$141,316,080 ($\$86.42 \times 365.25 \times 4,477$).
- The daily reimbursement rate to the local facilities housing felons in local jails is \$48.23.
- The proposed legislation will result in a recurring decrease in state incarceration expenditures and a corresponding decrease in local revenue, beginning in FY21-22, estimated to be \$78,866,866 ($\$48.23 \text{ per day} \times 365.25 \text{ days} \times 4,477 \text{ inmates}$).
- The proposed legislation will result in a corresponding recurring decrease in local expenditures in FY21-22 and subsequent years, estimated to be \$78,866,866.
- The recurring net impact to state incarceration expenditures in FY21-22 and subsequent fiscal years is estimated to be \$62,449,214 ($\$141,316,080 - \$78,866,866$).

**Tennessee Code Annotated, Section 9-4-210, requires that: For any law enacted after July 1, 1986, which results in a net increase in periods of imprisonment in state facilities, there shall be appropriated from recurring revenues the estimated operating cost of such law. The amount appropriated from recurring revenues shall be based upon the highest cost of the next 10 years.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/amj